

Payment Solutions Process

MONTH

01

FRIENDLY REMINDER

An initial 30-day reminder notice is sent at a cost of \$2 via regular USPS and includes the homeowner's ledger along, a coupon scan line for payment and verbiage that failure to pay may result in a negative credit reporting the following month. All homeowners in this status will be reported positively at no additional charge.

02

DEMAND LETTER

A formal delinquency demand letter is sent at a cost of \$35 via certified mail. This correspondence advises the homeowner of their delinquency and that their credit profile will begin to be reported as delinquent at no additional charge.

03

COLLECTION ALERT

This correspondence is sent at a cost of \$100 via regular USPS, and includes notification that the owner's Association privileges are being suspended and their credit profile will be reported as delinquent at no additional charge.¹

04

FINAL COLLECTION WARNING

An intent to lien letter is sent at a cost of \$150 via regular USPS and includes a notification that if a full payment is not remitted, a lien will be placed on the homeowner's property the following month. Their credit profile will also be reported as delinquent at no additional charge.

05

LIEN NOTIFICATION

A lien is filed on the owners account for a cost of \$250. The owner is notified via certified mail along with instructions on how to get the lien removed. Their credit profile will also be reported as delinquent at no additional charge.

06

FORWARD FOR DELINQUENCY ANALYSIS PACKAGE

Included in this step is a 3rd party Delinquency Analysis Package (DAP) provided by ARCHER at a cost of \$375. This comprehensive report entails a full asset, liability, judgment, foreclosure, bankruptcy, and social media search. The Association will be given a recommendation on the viability of collecting the debt to help ensure the Association does not continue to spend more money going after bad debt.²

*Effective 6/1/20



Payment Solutions Terms

- New Owners will be placed in a 60-day hold status as a courtesy.
- All fees are charged to the association and subsequently assessed against the delinquent owner's account at the time of service except Friendly Reminders which will not be passed through to the homeowner.
- Fees are inclusive of **all** processing, postage, and otherwise previously itemized reimbursable materials/labor costs.
- Monthly positive and negative payment history credit bureau (Equifax) filing is included at no additional cost. Negative credit bureau filing only begins at Step 2, when a homeowner is at least 60 days delinquent.
- Step 6 includes a confidential Delinquency Analysis Package prepared by independent counsel to help determine the viability of further collections efforts. This report is included in the price of this Step.
- There will also be a one-time charge of \$40 for payment plan setup & monitoring and a \$75 release of lien service charge.

¹ Pursuant to the Declaration of Covenants suspension of common area amenities including but not limited to water suspension, gate suspension, and association amenities could be included in this step.

² Unless otherwise instructed by a Board of Directors, Step 6 is only for owner's accounts with a minimum \$1,000 delinquent balance. If a delinquency owner's balance is less than \$1,000, they will be converted back to a \$5/mo. late statement "Standing Status" until such time that their account balance is greater than \$1,000.

Once the Board has authorized an account to be referred to a 3rd party collection agency, an initial charge of \$75 will be assessed to prepare and communicate with outside counsel. Thereafter, the account will incur a monthly \$25 maintenance fee to handle account updates and continued correspondence.